

107TH CONGRESS  
2D SESSION

# S. 2860

To amend title XXI of the Social Security Act to modify the rules for redistribution and extended availability of fiscal year 2000 and subsequent fiscal year allotments under the State children's health insurance program, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2002

Mr. ROCKEFELLER (for himself, Mr. CHAFEE, Mr. KENNEDY, and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XXI of the Social Security Act to modify the rules for redistribution and extended availability of fiscal year 2000 and subsequent fiscal year allotments under the State children's health insurance program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Children's Health Im-  
5 provement and Protection Act of 2002".

1 **SEC. 2. CHANGES TO RULES FOR REDISTRIBUTION AND EX-**  
2 **TENDED AVAILABILITY OF FISCAL YEAR 2000**  
3 **AND SUBSEQUENT FISCAL YEAR ALLOT-**  
4 **MENTS.**

5 Section 2104(g) of the Social Security Act (42 U.S.C.  
6 1397dd(g)) is amended—

7 (1) in the subsection heading—

8 (A) by striking “AND” after “1998” and in-  
9 serting a comma; and

10 (B) by inserting “, AND 2000 AND SUBSE-  
11 QUENT FISCAL YEAR” after “1999”;

12 (2) in paragraph (1)—

13 (A) in subparagraph (A)—

14 (i) in the matter preceding clause

15 (i)—

16 (I) by inserting “or for fiscal  
17 year 2000 by the end of fiscal year  
18 2002, or allotments for fiscal year  
19 2001 and subsequent fiscal years by  
20 the end of the last fiscal year for  
21 which such allotments are available  
22 under subsection (e), subject to para-  
23 graph (2)(C)” after “2001,”; and

24 (II) by striking “1998 or 1999”  
25 and inserting “1998, 1999, 2000, or  
26 subsequent fiscal year”;

1 (ii) in clause (i)—

2 (I) in subclause (I), by striking  
3 “or” at the end;

4 (II) in subclause (II), by striking  
5 the period and inserting a semicolon;  
6 and

7 (III) by adding at the end the  
8 following:

9 “(III) the fiscal year 2000 allot-  
10 ment, the amount by which the  
11 State’s expenditures under this title in  
12 fiscal years 2000, 2001, and 2002 ex-  
13 ceed the State’s allotment for fiscal  
14 year 2000 under subsection (b);

15 “(IV) the fiscal year 2001 allot-  
16 ment, the amount by which the  
17 State’s expenditures under this title in  
18 fiscal years 2001, 2002, and 2003 ex-  
19 ceed the State’s allotment for fiscal  
20 year 2001 under subsection (b); or

21 “(V) the allotment for any subse-  
22 quent fiscal year, the amount by  
23 which the State’s expenditures under  
24 this title in the period such allotment  
25 is available under subsection (e) ex-

1 ceeds the State’s allotment for that  
2 fiscal year under subsection (b).”; and  
3 (iii) in clause (ii), by striking “1998  
4 or 1999 allotment” and inserting “1998,  
5 1999, 2000, or subsequent fiscal year al-  
6 lotment”;

7 (B) in subparagraph (B)—

8 (i) in the matter preceding clause (i),  
9 by striking “with respect to fiscal year  
10 1998 or 1999”;

11 (ii) in clause (ii)—

12 (I) by inserting “with respect to  
13 fiscal year 1998 or 1999,” after “sub-  
14 section (e)”;

15 (II) by striking “and” at the end;

16 (iii) by redesignating clause (iii) as  
17 clause (iv); and

18 (iv) by inserting after clause (ii), the  
19 following:

20 “(iii) notwithstanding subsection (e),  
21 with respect to fiscal year 2000 or any  
22 subsequent fiscal year, shall remain avail-  
23 able for expenditure by the State through  
24 the end of the fiscal year in which the

1 State is allotted a redistribution under this  
2 paragraph; and”;

3 (3) in paragraph (2)—

4 (A) in the paragraph heading, by striking  
5 “1998 AND 1999” and inserting “1998, 1999, 2000,  
6 AND SUBSEQUENT FISCAL YEAR”;

7 (B) in subparagraph (A), by adding at the  
8 end the following:

9 “(iii) FISCAL YEAR 2000 ALLOT-  
10 MENT.—Of the amounts allotted to a State  
11 pursuant to this section for fiscal year  
12 2000 that were not expended by the State  
13 by the end of fiscal year 2002, the amount  
14 specified in subparagraph (B) for fiscal  
15 year 2000 for such State shall remain  
16 available for expenditure by the State  
17 through the end of fiscal year 2003.

18 “(iv) FISCAL YEAR 2001 ALLOT-  
19 MENT.—Of the amounts allotted to a State  
20 pursuant to this section for fiscal year  
21 2001 that were not expended by the State  
22 by the end of fiscal year 2003, the amount  
23 specified in subparagraph (B) for fiscal  
24 year 2001 for such State shall remain

1 available for expenditure by the State  
2 through the end of 2004.

3 “(v) SUBSEQUENT FISCAL YEAR AL-  
4 LOTMENTS.—Of the amounts allotted to a  
5 State pursuant to this section for any fis-  
6 cal year after 2001, that were not ex-  
7 pended by the State by the end of the last  
8 fiscal year such amounts are available  
9 under subsection (e), the amount specified  
10 in subparagraph (B) for that fiscal year  
11 for such State shall remain available for  
12 expenditure by the State through the end  
13 of the fiscal year following the last fiscal  
14 year such amounts are available under  
15 subsection (e).”;

16 (C) in subparagraph (B), by striking  
17 “The” and inserting “Subject to subparagraph  
18 (C), the”;

19 (D) by redesignating subparagraph (C) as  
20 subparagraph (D); and

21 (E) by inserting after subparagraph (B),  
22 the following:

23 “(C) FLOOR FOR FISCAL YEARS 2000 AND  
24 2001.—For fiscal years 2000 and 2001, if the  
25 total amounts that would otherwise be redistrib-

1           uted under paragraph (1) exceed 60 percent of  
2           the total amount available for redistribution  
3           under subsection (f) for the fiscal year, the  
4           amount remaining available for expenditure by  
5           the State under subparagraph (A) for such fis-  
6           cal years shall be—

7                   “(i) the amount equal to—

8                           “(I) 40 percent of the total  
9                           amount available for redistribution  
10                          under subsection (f) from the allot-  
11                          ments for the applicable fiscal year;  
12                          multiplied by

13                           “(II) the ratio of the amount of  
14                           such State’s unexpended allotment for  
15                           that fiscal year to the total amount  
16                           available for redistribution under sub-  
17                           section (f) from the allotments for the  
18                           fiscal year.”; and

19           (4) in paragraph (3), by adding at the end the  
20           following: “For purposes of calculating the amounts  
21           described in paragraphs (1) and (2) relating to the  
22           allotment for any fiscal year after 1999, the Sec-  
23           retary shall use the amount reported by the States  
24           not later than November 30 of the applicable cal-

1       endar year on HCFA Form 64 or HCFA Form 21,  
2       as approved by the Secretary.”.

3 **SEC. 3. ESTABLISHMENT OF CASELOAD STABILIZATION**  
4                   **POOL AND ADDITIONAL REDISTRIBUTION OF**  
5                   **ALLOTMENTS.**

6       Section 2104 of the Social Security Act (42 U.S.C.  
7 1397dd) is amended by adding at the end the following:

8       “(h) REDISTRIBUTION OF CASELOAD STABILIZATION  
9 POOL AMOUNTS.—

10               “(1) ADDITIONAL REDISTRIBUTION TO STA-  
11 BILIZE CASELOADS.—

12                   “(A) IN GENERAL.—With respect to fiscal  
13 year 2003 and any subsequent fiscal year, the  
14 Secretary shall redistribute to an eligible State  
15 (as defined in subparagraph (B)) the amount  
16 available for redistribution to the State (as de-  
17 termined under subparagraph (C)) from the  
18 caseload stabilization pool established under  
19 paragraph (3).

20                   “(B) DEFINITION OF ELIGIBLE STATE.—  
21 For purposes of subparagraph (A), an eligible  
22 State is a State whose total expenditures under  
23 this title through the end of the previous fiscal  
24 year exceed the total allotments made available  
25 to the State under subsection (b) or subsection

1 (c) (not including amounts made available  
2 under subsection (f)) through the previous fis-  
3 cal year.

4 “(C) AMOUNT OF ADDITIONAL REDIS-  
5 TRIBUTION.—For purposes of subparagraph  
6 (A), the amount available for redistribution to  
7 a State under subparagraph (A) is equal to—

8 “(i) the ratio of the State’s allotment  
9 for the previous fiscal year under sub-  
10 section (b) or subsection (c) to the total al-  
11 lotments made available under such sub-  
12 sections to eligible States as defined under  
13 subparagraph (A) for the previous fiscal  
14 year; multiplied by

15 “(ii) the total amounts available in  
16 the caseload stabilization pool established  
17 under paragraph (3).

18 “(2) PERIOD OF AVAILABILITY.—Amounts re-  
19 distributed under this subsection shall remain avail-  
20 able for expenditure by the State through the end of  
21 the fiscal year in which the State receives any such  
22 amounts.

23 “(3) CASELOAD STABILIZATION POOL.—For  
24 purposes of making a redistribution under para-  
25 graph (1), the Secretary shall establish a caseload

1 stabilization pool that includes the following  
2 amounts:

3 “(A) Any amount made available to a  
4 State under subsection (g) but not expended  
5 within the periods required under subpara-  
6 graphs (g)(1)(B)(ii), (g)(1)(B)(iii), or  
7 (g)(2)(A).

8 “(B) Any amount made available to a  
9 State under this subsection but not expended  
10 within the period required under paragraph  
11 (2).”.

12 **SEC. 4. RESTORATION OF SCHIP FUNDING FOR FISCAL**  
13 **YEARS 2003 AND 2004.**

14 (a) IN GENERAL.—Paragraphs (6) and (7) of section  
15 2104(a) of the Social Security Act (42 U.S.C. 1397dd(a))  
16 are amended by striking “\$3,150,000,000” each place it  
17 appears and inserting “\$4,275,000,000”.

18 (b) ADDITIONAL ALLOTMENT TO TERRITORIES.—  
19 Section 2104(c)(4)(B) of the Social Security Act (42  
20 U.S.C. 1397dd(c)(4)(B)) is amended by striking  
21 “\$25,200,000 for each of fiscal years 2002 through 2004”  
22 and inserting “\$25,200,000 for fiscal year 2002,  
23 \$34,200,000 for each of fiscal years 2003 and 2004”.

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